

House File 717 - Introduced

HOUSE FILE 717

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 61)

A BILL FOR

1 An Act relating to the assessment and valuation of property
2 rented or leased to certain low-income individuals and
3 families and including effective date and retroactive
4 applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 441.21, subsection 14, paragraph c, Code
2 2023, is amended to read as follows:

3 c. Property that is rented or leased to low-income
4 individuals and families as authorized by section 42 of the
5 Internal Revenue Code, and that has not been withdrawn from
6 section 42 assessment procedures under subsection 2 of this
7 section, ~~or a hotel, motel, inn, or other building where~~
8 ~~rooms or dwelling units are usually rented for less than one~~
9 ~~month~~ shall not be classified as residential property under
10 this subsection, unless the property otherwise meets the
11 requirements of paragraph "a", subparagraph (1).

12 Sec. 2. Section 441.21, subsection 14, Code 2023, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. *0d.* Property that is a hotel, motel, inn, or
15 other building where rooms or dwelling units are usually rented
16 for less than one month shall not be classified as residential
17 property under this subsection.

18 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
19 importance, takes effect upon enactment.

20 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
21 retroactively to assessment years beginning on or after January
22 1, 2023.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 Under Code section 441.21(2), in assessing property that
27 is rented or leased to low-income individuals and families as
28 authorized by section 42 of the Internal Revenue Code, unless
29 the owner elects to withdraw the property from the assessment
30 procedures for section 42 property, the assessor shall use the
31 productive and earning capacity from the actual rents received
32 as a method of appraisal and shall take into account the extent
33 to which that use and limitation reduces the market value
34 of the property. The definition of "residential property"
35 under Code section 441.21(14) excludes such property if it

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1 has not been withdrawn from section 42 assessment procedures.
2 This bill allows for section 42 property to be classified as
3 residential property even if it has not been withdrawn from
4 section 42 assessment procedures if the property is primarily
5 used or intended for human habitation containing two or fewer
6 dwelling units.

7 The bill takes effect upon enactment and applies
8 retroactively to assessment years beginning on or after January
9 1, 2023.